



Joel Seligman
President

September 5, 2006

The Honorable Tom Coburn, M.D.
Chairman
U.S. Senate Subcommittee on Federal Financial Management
439 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Coburn:

I am writing in response to your letter dated July 27, 2006 requesting information regarding appropriations the University of Rochester has received and the impact this federal funding has had on our institution.

As you may know, the University of Rochester is a nationally recognized research institution with outstanding scholarship and world-class faculty. As one of the nation's leading private universities, the University ranks among the top colleges and universities nationwide in federally financed science, engineering, medical, and other research. Our continued high ranking is a significant indicator of the quality of the research conducted here, of the faculty who perform such research at the University, and of the staff who support their efforts in laboratories and offices throughout the University.

Our record of achievement and excellence is also due in great part to the support, collaboration, and leadership we receive from our delegation in Congress. Federal investments in the University, including Congressionally-directed projects, have a direct impact on job creation, enhance the innovation capacity that fuels the region's high-technology and bio-technology commercial sectors, help ensure our future energy and national security, and improves the overall health and quality of life of our community.

One example of how federal appropriations contribute to our institution and directly benefit the health of our nation is our Medical Center's Vaccine Treatment and Evaluation Unit (VTEU). The University has received almost \$14 million in recent years to serve as one of the seven institutions nationwide that are part of the National Institutes of Health's (NIH) network of VTEUs, which strive to understand, treat and ultimately prevent the myriad infectious, immunologic and allergic diseases that threaten millions of human lives. The unit is leading the effort to develop and test a bird flu vaccine, and it responded shortly after the tragedy on September 11, 2001 to test the vaccine against smallpox. The group also regularly tests new vaccines against diseases like anthrax, shingles, whooping cough, and the flu. Its work is a major reason why more vaccines against flu have been licensed recently in the United States, reducing the chances of a flu vaccine shortage.

There are numerous other examples of how partnering with the federal government and Congress has benefited the University of Rochester, our region, and the nation. In order to assist your

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request of "all appropriations" this institution has received since the year 2000, I have attached the most recent version of our annual report from the Office of Research and Project Administration. As you can see from the report, which summarizes all the federal funding we receive, the federal government is the primary source of the University's sponsored program funding. However, the University also receives significant funding from the New York State government, foundations, corporate sponsors and individuals. If you are interested in funding we received from the federal government in other fiscal years, please let me know and I can make those reports available to you as well.

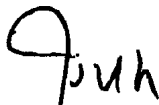
We recognize your efforts to be a steward of taxpayer dollars in order to achieve the best possible outcomes. I want to assure you that each investment made in the University, regardless of its source, is utilized in the most efficient manner that supports efforts to advance knowledge, break new intellectual ground, and to improve the lives of those around us.

As we look to the future, we will seek further opportunities to partner with our Congressional delegation and the federal government to expand our research capacity, improve the quality of our teaching and scholarship, and develop the type of path-breaking programs that have long distinguished the University of Rochester and benefited the surrounding region. In our efforts, we have found that federal appropriations, including Congressionally-directed funding, make an important difference in the lives of those around us.

With continued assistance from our Congressional delegation and from the federal government, our involvement in and commitment to the region and the state will only grow in the years to come as higher education and our Medical Center become more important in our community and stronger economic and social links are forged to the region.

I hope this information is helpful. If you require additional information, please do not hesitate to contact me or any members of our Congressional delegation copied on this letter.

Sincerely,



Joel Seligman
President

JS/lh
Enclosure

cc: U.S. Senator Charles E. Schumer
U.S. Senator Hillary Rodham Clinton
Representative Louise M. Slaughter
Representative James T. Walsh
Representative Thomas Reynolds
Representative Randy Kuhl

OFFICE OF RESEARCH AND PROJECT ADMINISTRATION

ANNUAL REPORT
OF
SPONSORED PROGRAM ACTIVITIES

Fiscal Year 2005

UNIVERSITY OF ROCHESTER

OFFICE OF RESEARCH AND PROJECT ADMINISTRATION

INTRODUCTION

This report, prepared by the Office of Research and Project Administration (ORPA), provides an overview of sponsored program activities for the fiscal year ending June 30, 2005. An Executive Summary of the information contained herein may be found at www.rochester.edu/orpa. This Annual Report provides the detail behind the executive summary, as well as other statistics of interest.

Revenue from sponsored program activities, vital to the sustaining of research and graduate programs, remains an essential component of the University's current fund expenditure and general budget. The University consistently finds itself in the top thirty of colleges and universities receiving funding for research and other sponsored activities. Our continued high ranking is a significant indicator of the quality of the research conducted, of the faculty who perform such research at the University, and of the staff who support their efforts in laboratories and offices throughout the University.

Statistics on proposals submitted and awards accepted are used as a primary point of reference in this report. These statistics portray sponsored programs funding requested and received in the current fiscal year and will, over time, provide an indication of funding trends. Expenditure statistics are also presented. These latter data not only provide an indication of the level of expenditure for research, training, and other associated sponsored program activities at the University, but also a basis for comparison with other colleges and universities nationwide. The expenditures reported may differ slightly from the University's end-of-year financial statements. These differences are reconciled by various ledger adjustments and other transfers. In addition, there are departmental research activities conducted with funds from gifts or direct University funding. These activities are not reflected in this report.

Comments about the report and suggestions for future improvements are welcomed.

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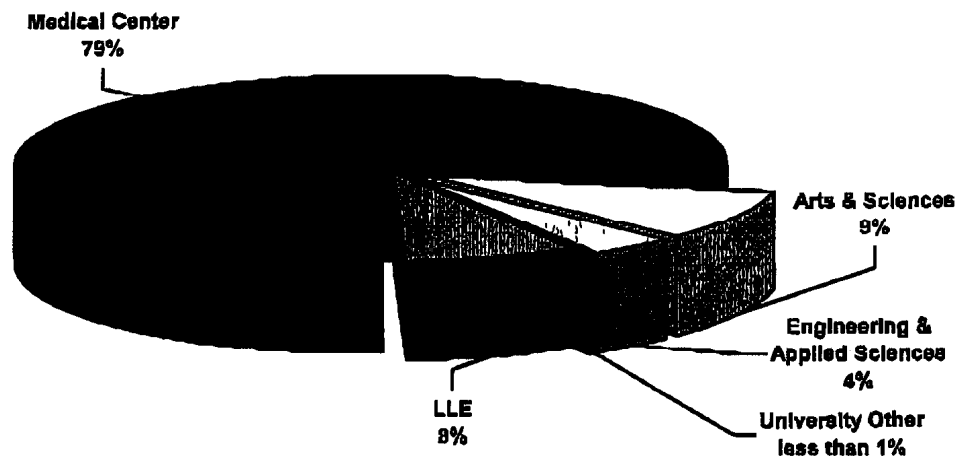
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PROPOSAL AND AWARD ACTIVITY

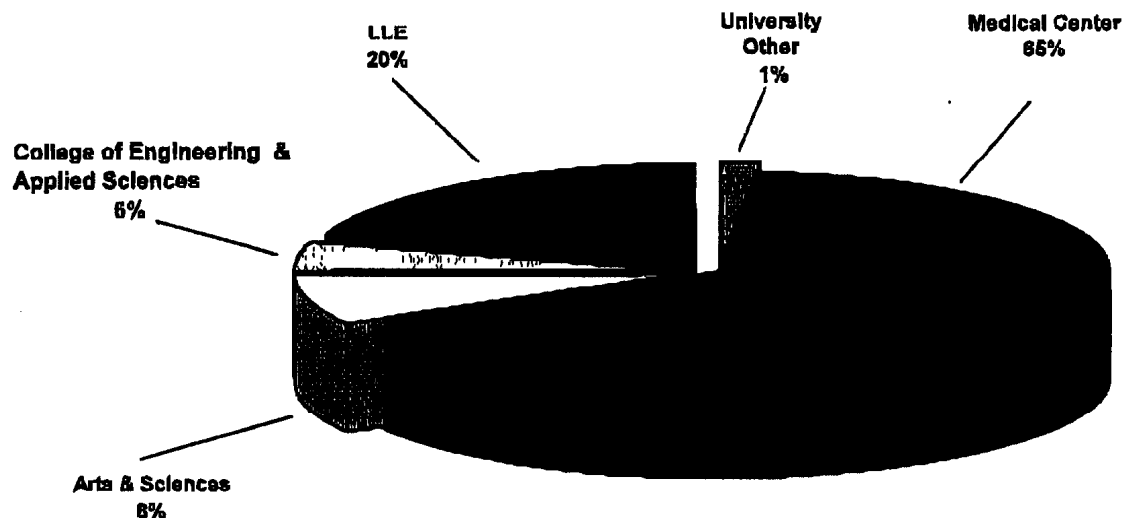
While the expenditure statistics noted later in this report have been the historical basis for measuring the University's sponsored program levels, information on proposal and award activities provides another measurement of current and future trends in external funding for project support.

Chart A
Dollar Value of Proposals Submitted - FY 2005



The School of Medicine and Dentistry submits the majority of proposals and, as is also indicated in the award statistics, receives the preponderance of sponsored program funding. On an overall University basis, over 2,076 new, continuation, and renewal proposals were submitted in FY 2005 for sponsored program funding.

Chart B
Awards Dollars Received - FY 2005



In FY 2005 2,379 award actions were processed by ORPA. These award actions include new and renewal awards, non competing continuations, extensions of the award termination date, and other administrative modifications made by the sponsoring agency.

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The first two tables that follow provide information on a college, school or division basis for proposals submitted and awards received in the five most recent fiscal years. It should be noted that the proposal amounts requested include the entire project period of the proposal for new or competing renewal proposals. Awarded amounts, however, indicate only amounts actually received regardless of whether additional funds are anticipated. Additionally, neither of the tables includes funds requested or received for direct student financial aid. On an annual basis, both the dollar values of proposals submitted and awards received should be viewed with some caution, as those actions are dependent upon program announcements, funding trends, availability of funds, and timing of award actions.

Table 1
Proposals – Total Amount Requested
(Dollars in thousands)

College/School/Division	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
<u>Medical Center</u>					
Medicine & Dentistry	\$702,062	\$729,717	\$893,177	\$978,526	\$1,155,061
Nursing	14,782	20,578	18,826	22,370	14,508
Eastman Dental Center	0	34	0	0	0
Hospitals and Clinics	5,873	593	2,909	2,862	2,765
Medical Center Administration	4,149	0	4,760	126	572
<u>The College</u>					
Arts and Sciences	130,722	158,160	141,809	107,367	134,941
Engineering & Applied Sciences	72,607	34,831	81,148	99,074	58,982
<u>Other Schools and Divisions</u>					
Laboratory for Laser Energetics	34,361	264,671 ¹	16,709	68,320	115,321
Warner School of Education	3,428	3,528	2,403	10,338	2,537
Memorial Art Gallery	1,123	466	240	121	248
Simon School of Business	50	696	138	83	357
Eastman School of Music	0	1,475	0	240	156
University Other	965	708	2,953	4,555	693
TOTAL	\$970,122	\$1,215,457	\$1,165,072	\$1,293,982	\$1,486,141

Source: UR-Coeus Sponsored Programs Management Database

¹This includes the renewal proposal for the DOE-UR Cooperative Agreement

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Table 2
Awards – Annual Funding Received
(Dollars in thousands)

College/School/Division	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
<u>Medical Center</u>					
Medicine & Dentistry	\$165,215	\$164,293	\$196,633	\$213,961	\$222,285
Nursing	3,423	2,570	4,250	6,417	5,446
Hospitals and Clinics	379	1,039	1,320	756	1,146
Medical Center Administration	0	50	295	200	510
<u>The College</u>					
Arts and Sciences	29,034	28,041	40,301	35,404	29,733
Engineering & Applied Sciences	11,470	16,451	16,441	10,306	16,680
<u>Other Schools and Divisions</u>					
Laboratory for Laser Energetics	38,265	36,929	47,124	62,875	71,513
Warner School of Education	722	2,347	844	1,284	4,732
Memorial Art Gallery	65	259	311	176	193
Simon School of Business	190	70	97	58	38
Eastman School of Music	0	375	434	347	173
University Other	173	362	83	1,279	324
TOTAL	\$248,936	\$252,786	\$308,133	\$333,063	\$352,802

Source: UR-Coeus Sponsored Programs Management Database

Notes for Tables 1 and 2:

- In Table 1, amounts requested include the entire project period of the proposal for new or competing renewal proposals and may fluctuate due to large program requests.
- Funding received in Table 2 indicates actual amount awarded which is usually for periods of one year or less. Future year commitments are not included.
- University Other includes Rush Rhees Library, Susan B. Anthony Center and University Central Administration.

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As indicated in Chart D on page 17, the federal government is the primary source of sponsored program funding. However, the University receives significant funding from New York State government, foundations, corporate sponsors and individuals. Table 3 provides funding information on University sponsors that provided \$1,000,000 or more in FY 2005.

Table 3
Sponsors Awarding \$1,000,000 or More Annually
FY 2005

Sponsor Name	Dollars Awarded	Direct \$	Indirect \$
DHHS/PHS/NIH	\$152,010,053	107,784,178	44,225,875
DOE	74,696,997	48,621,555	26,075,442
National Science Foundation	9,466,029	6,959,190	2,506,839
Cephalon, Inc	8,126,905	6,265,614	1,861,291
DHHS/PHS/HRSA	7,154,093	6,701,854	452,239
Department of Education	4,772,550	3,515,061	1,257,489
Monroe County	4,443,004	4,217,105	225,899
Guidant Corporation	3,684,205	3,187,604	496,601
NYS/Health	3,113,385	2,996,648	116,737
Amgen, Inc.	2,977,449	2,573,580	403,869
Health Research Inc	2,865,963	2,602,037	263,926
DOD/Navy	2,724,991	2,331,793	393,198
DOD/Army	2,652,380	2,009,326	643,054
DOD/Air Force	2,361,232	1,774,753	586,479
University of Washington	2,151,208	1,430,390	720,818
EPA	2,016,735	1,404,174	612,561
Prestwick Pharmaceuticals, Inc.	1,848,457	1,422,043	426,414
NYSTAR	1,837,320	1,719,415	117,905
CDC	1,811,987	1,180,873	631,114
NYSERDA	1,500,000	1,500,000	0
Whitaker Foundation	1,495,162	1,280,505	214,657
High Q Foundation	1,451,380	1,451,380	0
Univ/California/Scripps Institute	1,337,182	857,168	480,014
Philip Morris, USA	1,317,157	888,132	429,025
DHHS/PHS/AHRQ	1,026,427	839,653	186,774
Grand Total:	\$298,842,251	\$215,514,031	83,328,220

Source: UR-COEUS Sponsored Programs Management Database

*LLE funding is set up in 'undesignated' when the Notice of Award is generated. Office of Research Accounting and Costing Standards handles the distribution between Direct Costs and Indirect Costs in the University's financial system (FRS)

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Table 4 provides information on the number of active projects in University colleges, schools or other units. This number encompasses all types of sponsored activities and may include awards received prior to FY 2005. This table does not include funding for undergraduate financial aid.

Table 4
Summary of Active Projects
As of 6/30/05

College/School/Division	Number of Active Projects
<u>Medical Center</u>	
Medicine & Dentistry	1,996
Nursing	48
Strong Memorial Hospital	7
Medical Center Administration	31
<u>The College</u>	
Arts & Sciences	321
Engineering and Applied Sciences	150
<u>Other Schools and Divisions</u>	
Laboratory for Laser Energetics	10
Warner School of Education	15
Memorial Art Gallery	10
Simon School of Business	3
Eastman School of Music	4
River Campus General	11
University General	3
TOTAL ACTIVE PROJECTS	2,609

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SPONSORED PROGRAM AWARDS BY PURPOSE

The table below illustrates the breakdown of awards by purpose. Research remains the primary component of sponsored program awards. In contrast to the expenditure figures reported later in this report, sponsored program award statistics do not include financial aid.

Table 5
Total Sponsored Program Awards
By Purpose
(Dollars in thousands)

Purpose	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Research ¹	\$188,696	\$196,859	\$232,426	\$247,114	\$268,217
Fellowships & Training	22,451	17,631	27,484	27,630	26,246
Clinical Drug Trials	25,081	24,100	23,545	24,791	26,914
Libraries & Museums	65	525	349	636	206
Conference & Travel	205	77	234	133	141
Equipment	1,485	307	2,524	1,194	1,798
Miscellaneous Activities	10,953	13,277	17,831	17,955	22,129
TOTAL	\$248,936	\$252,786	\$308,133	\$333,022	\$345,651

¹ The Medical Center accounts for 65% of all externally sponsored research expenditures. Of that amount, roughly half is related to clinical research, according to the Clinical Research Resource Inventory, a survey of principal investigators at the Medical Center. Clinical research is defined as research conducted with human subjects or on material of human origin for which an investigator directly interacts with human subjects. It also includes epidemiological and behavioral studies and outcomes research and health services research.

Source: UR-Cores Sponsored Programs Management Database

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OVERVIEW OF SPONSORED PROGRAMS EXPENDITURES

In Fiscal Year 2005, the University of Rochester expended in excess of \$340 million for sponsored activities, an increase of 11.5 percent from Fiscal Year 2004.

Chart C
Sponsored Program Expenditures
Total University
(Dollars in thousands)

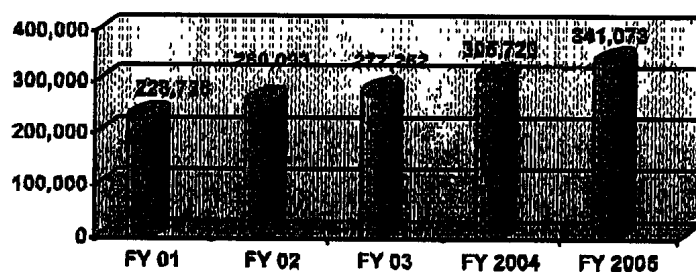


Table 6
Sponsored Program Expenditures
Total University
(Dollars in thousands)

	FY2001	FY2002	FY2003	FY 2004	FY 2005
Total University	\$228,728	\$260,093	\$277,262	\$305,720	\$341,073

Source: University Accounting System Report ABQ361

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SPONSORED PROGRAM EXPENDITURE BY
COLLEGE/SCHOOL/DIVISION

Table 6.1 and supporting tables provide a breakdown of expenditures by college, school or division.

Table 6.1
Total Sponsored Program Expenditures by College/School/Division¹
(Dollars in thousands)

College/School/Division	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
<u>Medical Center</u>					
Medicine & Dentistry	\$143,777	\$162,163	\$179,483	\$201,178	\$214,958
Nursing	1,776	2,449	4,025	4,733	5,655
Hospitals and Clinics	1,291	754	1,155	1,056	1,046
Medical Center Administration ²	25	3,992	203	308	705
<u>The College</u>					
Arts and Sciences	30,286	32,135	31,406	34,937	33,570
Engineering & Applied Sciences	14,287	14,284	14,660	12,983	13,684
<u>Other Schools and Divisions</u>					
Laboratory for Laser Energetics	31,845	38,269	39,259	43,581	63,277
Warner School of Education	580	1,154	1,391	1,765	2,214
Memorial Art Gallery	284	228	356	245	166
Simon School of Business	211	42	206	57	46
Eastman School of Music	405	685	818	760	772
University Other ³	3,961	3,938	4,300	4,117	4,980
TOTAL	\$228,728	\$260,093	\$277,262	\$305,720	\$341,073

Source: University Accounting System Report ABQ361

¹Includes facilities & administrative costs.

²Includes Eastman Dental Center (Department of Community Dentistry)

³Includes funding for undergraduate student financial aid.

Table 6.2.1
Total Sponsored Program Expenditures
The College
(Dollars in thousands)

Arts and Sciences	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Dean's Office	\$0	\$179	\$171	\$111	\$16
Art and Art History	26	39	34	24	13
Biology	3,747	3,722	3,523	3,665	3,753
Brain & Cognitive Sciences	2,370	2,786	3,022	5,116	4,553
Chemistry	3,029	3,239	2,934	3,462	3,441
Clinical and Social Sciences in Psychology	5,491	6,319	5,889	5,587	4,676
Computer Science	2,170	2,715	2,402	3,280	2,922
Earth and Environmental Sciences	774	689	705	1,122	779
Economics	-21	0	0	0	19
English	40	19	64	69	40
Linguistics	24	18	18	21	24
Mathematics	381	274	363	347	343
Philosophy	142	3	2	24	0
Physics and Astronomy	9,109	9,000	8,379	7,397	7,445
Political Science	0	7	2	2	9
Undergraduate Studies	307	334	412	314	318
Visual Science	2,066	2,364	2,665	3,829	4,748
Wallis Institute of Political Economy	631	429	821	567	471
Subtotal	\$30,286	\$32,135	\$31,406	\$34,937	\$33,570

Source: University Accounting System Report ABQ35

Table 6.2.2
Total Sponsored Program Expenditures
The College
(Dollars in thousands)

Engineering & Applied Sciences	FY2001	FY 2002	FY 2003	FY 2004	FY 2005
Dean's Office	N/A	N/A	N/A	N/A	\$55
Center for Future Health	853	926	1,060	1,275	401
Biomedical Engineering	675	974	730	799	1,500
Chemical Engineering	1,299	792	705	695	563
Electrical & Computer Engineering	2,909	2,827	3,016	2,620	3,349
Mechanical Engineering	402	162	363	691	1,119
Optics	3,525	4,196	4,296	3,667	4,571
Center for Electronic Imaging Systems ¹	NA	1,617	2,080	2,072	1,593
Center for Optoelectronics & Imaging ²	4,624	2,790	2,410	1,164	533
Subtotal	\$14,287	\$14,284	\$14,660	\$12,983	\$13,684
TOTAL THE COLLEGE	\$40,887	\$39,940	\$43,253	\$44,573	\$47,254

¹Prior to FY 2002, expenditures for CBIS were included under COI.

²During FY 2002, CBIS expenditures were moved into a separate designation.

Source: University Accounting System Report ABQ 353

Table 6.3
Total Sponsored Program Expenditures
School of Medicine and Dentistry
(Dollars in thousands)

Medicine and Dentistry	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Dean's Office	\$2,527	\$3,013	\$2,542	\$1,636	318
Anesthesiology	1,059	1,355	593	942	1,715
Biochemistry and Biophysics	7,145	8,292	8,872	9,110	8,227
Biomedical Genetics (previously Center for Cancer Biology)	851	1,298	2,404	3,095	3,980
Biostatistics	437	308	986	1,742	1,687
Cancer Center	2,601	2,303	7,369	10,353	9,428
Center for Human Genetics & Molecular Pediatric Disease	NA	0	1,612	2,236	2,419
Center for Oral Biology	5,054	4,930	4,497	5,304	5,820
Center for the Study of Rochester's Health	901	767	1,230	1,632	1,872
Center for Vaccine Biology	1,670	2,951	4,798	6,656	6,408
Center on Aging	51	68	107	-18	0
Center for Aging and Developmental Biology	6,633	6,015	6,479	8,221	10,807
Eastman Dept. of Dentistry	649	890	1,199	1,252	1,507
Clinical Research Institute	0	0	4	-4	0
Community and Preventive Medicine	3,548	4,201	3,453	3,952	4,319
Dermatology	1,553	1,542	1,614	1,566	938
Eastman Dental Center ¹	43	NA	NA	NA	NA
Emergency Medicine	435	378	428	623	849
Environmental Medicine	9,033	10,101	10,861	10,166	11,933
Family Medicine	1,960	2,096	2,309	2,529	2,425
Genetics	133	561	20	0	0
Imaging Sciences (previously Radiology)	1,080	1,386	1,574	2,194	2,246
Medicine	28,727	31,330	29,174	31,617	36,864

(Continued on next page)

The Eastman Dental Center (EDC), officially merged with the University of July 1, 1997. During fiscal year 1998, expenditures on sponsored projects related to Dentistry were reported under EDC, Clinical Dentistry and Dental Research. In FY 1998, Dental Research became the Center for Oral Biology. Beginning in FY 1999, research expenditures on sponsored projects are reported under the Eastman Department of Dentistry and the Center for Oral Biology. Beginning in FY 1999 expenditures for Eastman Dental Center represent clinical expenditures for the Community Dentistry Outreach Programs of EDC. Beginning in FY 2002, these expenditures are being reported under Medical Center Administration.

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Medicine and Dentistry cont'd	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Microbiology and Immunology	7,652	7,921	8,459	8,489	8,498
Neurobiology and Anatomy	3,947	5,001	4,808	5,540	6,248
Neurology	18,745	18,270	23,171	26,885	28,951
Neurosurgery	152	2,100	2,226	2,987	2,301
Obstetrics and Gynecology	3,423	3,049	3,114	4,193	4,765
Ophthalmology	907	1,096	572	654	1,607
Orthopaedics	1,642	2,029	2,157	3,012	3,856
Otolaryngology	NA	NA	NA	NA	1,186
Pathology	1,963	2,057	3,487	3,981	4,281
Pediatrics	13,809	15,958	15,656	16,982	14,234
Pharmacology and Physiology	6,202	7,175	8,221	7,707	8,502
Physical Medicine and Rehab	197	88	56	55	13
Psychiatry	3,739	6,370	8,245	8,943	9,888
Radiation Oncology	1,659	1,635	1,147	990	1,811
Surgery	2,692	4,124	4,424	4,071	2,791
Urology	245	708	1,024	945	1,201
SMD Other ¹	713	798	591	940	1,063
TOTAL	\$143,777	\$162,261	\$179,483	\$201,178	\$214,958

Source: University Accounting System Report ABQ353

¹Includes Medical Student Financial Affairs Office and Offices for Medical Education

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DIRECT COSTS AND F&A COSTS EXPENDITURES

The University recovers the costs of its sponsored program expenditures in two ways; direct costs and facilities & administrative (F&A) costs. Table 7.1 and Table 7.2 indicate the breakdown by college, school or division for these two cost categories.

Expenditures vary from year to year because of changes in the government's interests and needs and types of programs. Recovery of F&A costs is a function of direct cost expenditures. Such recovery is subject to variation as well as to changes in rates, types of direct costs supported by sponsors (e.g., salaries vs. equipment), amounts subcontracted to other institutions, sponsor policies, and cost allowability as determined by federal regulations and audit practices.

Table 7.1
Direct Cost Expenditures
(Dollars in thousands)

College/School/Division	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
<u>Medical Center</u>					
Medicine & Dentistry	\$108,508	\$121,836	\$133,215	\$151,156	\$163,008
Nursing	1,348	1,878	3,351	3,854	4,679
Hospitals and Clinics	1,273	738	1,138	1,042	1,005
Medical Center Administration	21	3,889	206	284	604
<u>The College</u>					
Arts and Sciences	23,745	25,446	24,173	27,355	25,961
Engineering & Applied Sciences	11,144	11,273	11,433	9,836	11,006
<u>Other Schools and Divisions</u>					
Laboratory for Laser Energetics	24,763	29,947	30,702	34,330	53,174
Warner School of Education	532	1,043	1,253	1,527	1,741
Simon School of Business	166	49	158	57	46
Eastman School of Music	405	685	818	759	770
Memorial Art Gallery	284	228	356	245	166
University Other	3,952	3,395	4,274	4,087	4,971
TOTAL	\$176,141	\$200,947	\$211,077	\$234,532	\$267,131

Source: University Accounting System Report ABQ361

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Table 7.2
Facilities & Administrative Costs Recovery
(Dollars in thousands)

College/Unit	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
<u>Medical Center</u>					
Medicine & Dentistry	\$35,269	\$40,425	\$46,268	\$50,022	\$51,950
Nursing	428	571	674	879	976
Hospitals and Clinics	18	16	16	14	41
Medical Center Administration	4	5	-3	24	102
<u>The College</u>					
Arts and Sciences	6,541	6,780	7,234	7,582	7,609
Engineering & Applied Sciences	3,143	2,921	3,228	3,147	2,680
<u>Other Schools and Divisions</u>					
Laboratory for Laser Energetics	7,082	8,322	8,557	9,251	10,102
Warner School of Education	48	111	137	238	473
Simon School of Business	45	-7	48	0	-2
Eastman School of Music	0	0	0	1	1
Memorial Art Gallery	0	0	0	0	0
University Other	9	2	26	30	10
TOTAL	\$52,589	\$59,146	\$66,185	\$71,188	\$73,942

Source: University Accounting System Report ABQ361

SPONSORED PROGRAM EXPENDITURES BY FUNDING AGENCY

While the federal government is the primary source of sponsored program funding, the University receives project support from many other sponsors. The chart below depicts the major sponsor groups. Table 8.1, which indicates the total University expenditures by type of funding agency, shows a notable increase in foundation and voluntary health organizations support.

Chart D
Expenditures by Agency Type – FY 2005

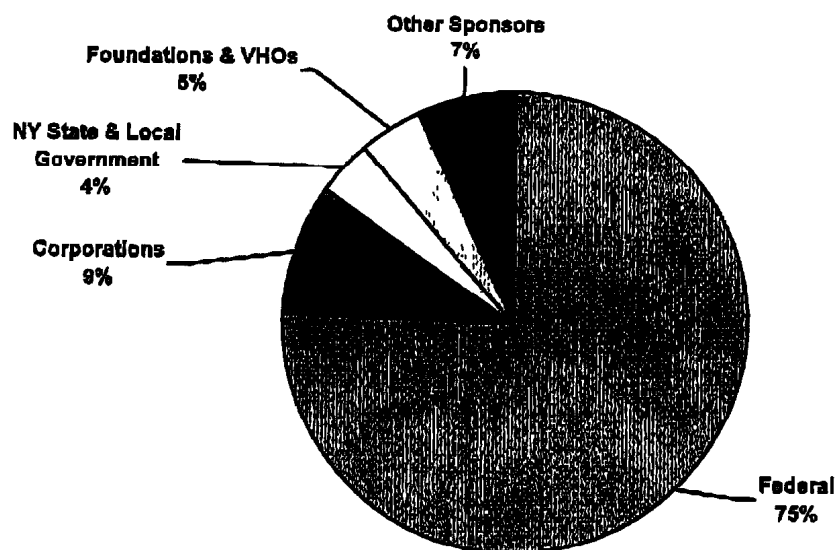


Table 8.1
Sponsored Program Expenditures
By Agency Type
(Dollars in thousands)

Agency Type	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Federal	\$165,565	\$193,086	\$204,955	\$226,737	\$257,756
Corporations	23,867	24,653	25,303	27,919	31,143
NY State & Local Government	10,626	12,172	13,279	14,750	13,332
Foundations & Voluntary Health Organizations	10,806	12,879	13,178	10,485	15,517
Other Sponsors ¹	17,864	17,303	20,547	25,829	23,325
TOTAL	\$228,728	\$260,093	\$277,262	\$305,720	\$341,073

Source: University Accounting System Report ABM123

¹Other sponsors include national laboratories and other non-profit institutions (including subcontracts from other colleges and universities). The majority of these funds result from federal funding to a primary sponsor for whom the University is a subrecipient.

Table 8.2
Sponsored Program Expenditures
By Federal Agency
(Dollars in thousands)

Federal Agency	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Public Health Service (includes NIH)	\$106,293	\$124,454	\$135,184	\$151,862	\$161,529
Department of Energy	33,749	41,158	42,343	47,435	66,554
National Science Foundation	8,196	8,021	8,409	12,029	10,890
Department of Defense	9,617	9,047	9,229	6,477	9,398
Department of Education	4,639	5,856	6,171	5,816	6,552
National Aeronautics and Space Administration	947	1,664	1,244	631	601
NEA/NEH ¹	40	40	81	105	74
Other Sponsors	2,084	2,846	2,294	2,382	2,158
TOTAL	\$165,565	\$193,086	\$204,955	\$226,737	\$257,756

Source: University Accounting System Report ABM123

¹National Endowment for the Arts /National Endowment for the Humanities

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SPONSORED PROGRAM EXPENDITURES BY COST ELEMENT

The chart below and its supporting Table 9 indicate the expenditure of funds by major cost element. Sponsored program expenditures for FY 2005 included approximately \$47 million for faculty salaries, \$14 million for graduate student salaries and stipends and \$2 million for undergraduate student salaries.

Chart E

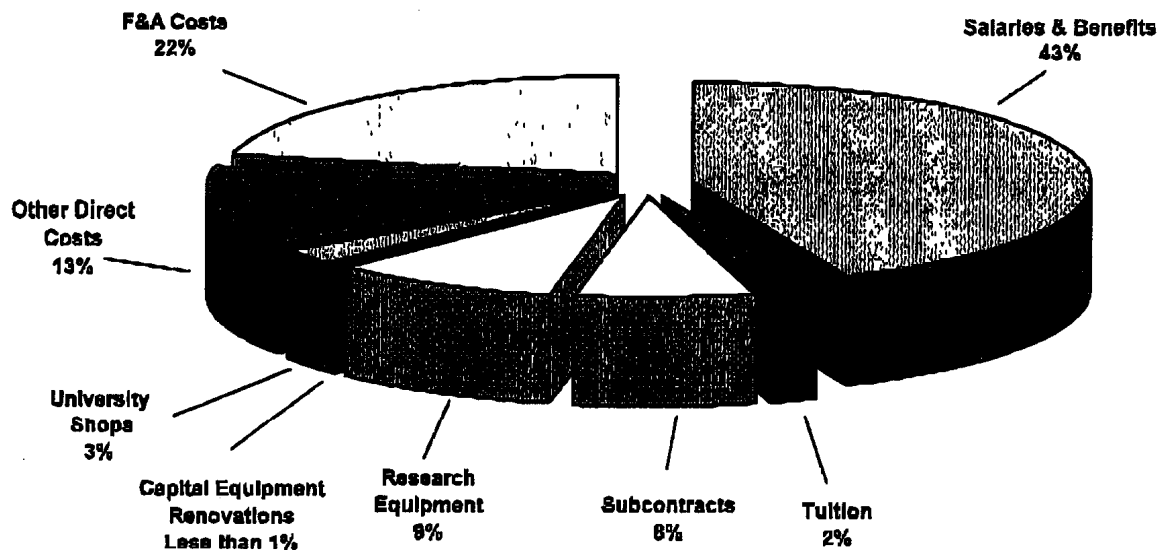


Table 9
Sponsored Program Expenditures by Cost Element
(Dollars in thousands)

Cost Element	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Salaries & Benefits	\$102,702	\$115,737	\$127,785	\$138,003	\$148,692
Tuition	5,648	6,242	6,842	6,699	6,312
Subcontracts	14,319	16,093	16,652	21,385	26,372
Research Equipment	15,434	17,728	15,373	15,175	32,078
Capital Equipment/Renovations	139	4,103	649	2,505	372
University Shops	5,271	6,425	6,698	8,346	8,872
Other Direct Costs ¹	32,626	34,619	37,078	42,419	44,434
Total Direct Costs	176,139	200,947	211,077	234,532	267,131
Facilities & Administrative Costs	52,589	59,146	66,185	71,188	73,941
TOTAL	\$228,728	\$260,093	\$277,262	\$305,720	\$341,073

¹"Other Direct Costs" includes adjustment made for "Expense Credits" category. "Other Expense Credits" represents transfers and other adjustments in ledger 5 accounts.

Source: University Accounting System Report ABQ361

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THE UNIVERSITY'S RANKING AMONG ITS PEERS

The University's ranking of its sponsored program activities compared with colleges and universities nationwide is illustrated in the following statistics. **Please note: The latest figures for this set of information are FY 2003 data, with the exception of the NIH ranking information.**

On An Expenditure Basis¹

- **33rd** in Federally financed research and development (R&D) expenditures at universities and colleges: fiscal year 2003
(30th in FY 2002)
- **22nd** in Industry-sponsored R&D expenditures at universities and colleges: fiscal year 2003
(23rd in FY 2002)
- **15th** among private universities

On An Obligation Basis²

- **29th** in Federal obligations for science and engineering R&D: FY 2003
(30th in FY 2002)
- **27th** in Federal obligations for fellowships, traineeships, and training grants: FY 2002
(29th in FY 2001) Note: FY 03 data not available at the time of this printing. Data will be updated on the ORPA website when it becomes available.
- **3rd** in Federal obligations for science and engineering to New York universities and colleges: FY 2003 *(rank order: Columbia, Cornell, and Rochester)*
- **30th** in NIH extramural awards to medical schools: FY 2004
(30th in FY 2003)

The Carnegie Foundation for the Advancement of Teaching places the University of Rochester in the category Research Universities I. Institutions in this category offer a full range of baccalaureate programs, are committed to graduate education through the doctorate level, and give high priority to research. They award fifty or more doctoral degrees each year and they receive \$40 million or more in federal support.

¹ Expenditure statistics are reported to the National Science Foundation by the University and are based on year-end accounting reports for a given fiscal year.

² Obligation statistics are reported to the National Science Foundation by federal agencies and are based on an agency's commitments during a federal fiscal year.

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Table 10
FY 2003 Federal Obligations for Science and Engineering
Research and Development
(Dollars in thousands)

Rank	Institution	Total Obligations
1	Johns Hopkins University	1,137,386
2	University of Washington	631,144
3	University of Michigan	520,754
4	University of Pennsylvania	495,264
5	University of California Los Angeles	475,651
6	Stanford University	467,153
7	University of California San Diego	466,450
8	University of Wisconsin-Madison	422,125
9	Washington University at St. Louis	419,014
10	Columbia University	412,694
11	Duke University	412,069
12	University of Pittsburgh	394,701
13	University of California San Francisco	393,078
14	Harvard University	384,891
15	University of Colorado	367,867
16	Yale University	349,560
17	Boston University	347,152
18	Pennsylvania State University	345,920
19	University of Minnesota	345,802
20	University of North Carolina Chapel Hill	344,601
21	Cornell University	334,108
22	Baylor College of Medicine	297,252
23	Massachusetts Institute of Technology	291,879
24	University of Southern California	279,442
25	Vanderbilt University	263,812
26	University of Alabama-Birmingham	253,617
27	University of California Berkeley	245,570
28	University of Illinois at Urbana-Champaign	242,985
29	University of Rochester	228,985
30	Emory University	214,970

Source: National Science Foundation/SRS, Survey of Federal Science and Engineering Support to Universities, Colleges and Nonprofit Institutions, Fiscal Year 2003

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OUTLOOK FOR FY 2006

As of this date, Congress has completed work on the FY 2006 federal budget and the bill has been sent to President Bush for his signature. Under the bill, most R&D funding agencies will receive flat funding or modest increases falling short of inflation. Funding for the Department of Defense R&D will remain relatively unchanged from the FY 2005 level at 74.8 billion, a slight increase of \$91 million over FY 2005 amounts. The Air Force, Navy, Army, and two defense agencies, the Missile Defense Agency and the Defense Advanced Research Projects Agency, will account for 88.3 percent (\$61.2 billion) of this amount. The final Department of Homeland Security budget for FY 2006 provides \$1.3 billion for R&D, a 4.1 percent increase and the same amount as requested in the president's budget proposal. Within the health category, the bulk of the funding (\$28.6 billion) is targeted to the National Institutes of Health, the largest component of the Department of Health and Human Services, and the largest single source of funds for university research. This budget represents a negligible increase above last year's funding level, and is the smallest percentage increase for the agency in three decades. Within the NIH, the biggest increase (7.6 percent) will go to the Office of the Director to boost funding for clinical research, high-risk basic research, and collaborative research in the NIH Roadmap for Biomedical Research. The Roadmap will receive \$333 million in FY 2006 (up 41 percent), with \$250 million coming from institute budgets. NIH projects a decline in the number of Research Project Grants (RPGs) for the second year in a row, and no inflation adjustment for most new or continuing grants. Most NIH institutes will receive increases in a narrow range between 0.3 and 0.7 percent. Research funding for general science will decrease by \$59 million in FY 2006, to a total of \$6.4 billion. The National Science Foundation accounts for 58.2 percent (\$3.7 billion) of this amount. The Department Of Energy accounts for the remaining portion (\$2.7 billion). Four agencies provide nearly all of the support for natural resources and environment R&D, which will receive \$2.0 billion in FY 2006, down 5.6 percent from the FY 2005 level: Department of the Interior, Department of Commerce, Environmental Protection Agency and Department of Agriculture. R&D funding for Interior will remain flat for the sixth year in a row. EPA's R&D budget will increase slightly by 1.2 percent to \$579 million in FY 2006. Funding in FY 2006 for Transportation R&D is \$1.6 billion, down by \$188 million from FY 2005.

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